

August 9, 2022

The Corporate Service
Department
BSE Limited
P J Towers, Dalal
Street
Mumbai – 400 001

The Listing Department
The National Stock Exchange of India Ltd.
Exchange Plaza, Bandra- Kurla Complex
Bandra (East)
Mumbai 400 051

TD Power Systems Limited

(CIN -L31103KA1999PLC025071)

REGISTERED OFFICE & FACTORY:
27, 28 and 29, KIADB Industrial Area
Dabaspeta, Nelamangala Taluk
Bengaluru Rural District
Bengaluru – 562 111 India

Tel +91 80 229 95700 / 6633 7700

Fax +91 80 2773 4439 / 2299 5718

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www.tdps.co.in

Sirs,

Sub: Un-Audited Financial Results for the Quarter ended June 30, 2022

The Board of Directors of the Company at their meeting held today, took on record the enclosed Un-audited Financial Results (“UFR”) for the quarter ended June 30, 2022 and the Limited Review Report (“LRR”) of the Statutory Auditors thereon. The UFR along with LRR is being uploaded on your website along with this letter.

The Financial Results are available on the Company's website www.tdps.co.in. The key information on the standalone financial results are as under:

| Particulars | (Rs. in Lakhs) | | |
|---|---------------------------|---------------------------|-------------------------|
| | Quarter ended | | Year ended |
| | 30.06.2022 (Unaudited) | 30.06.2021 (Unaudited) | 31.03.2022 (Audited) |
| Net Sales / Income from Operations | 19,900.78 | 12,623.53 | 71,880.55 |
| Profit Before Tax | 2,520.63 | 919.46 | 7,379.33 |
| Profit After Tax | 1,874.29 | 674.41 | 5,441.49 |
| Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)] | 1,936.63 | 675.34 | 5,317.62 |

Please take the same on record.

Yours faithfully,
For TD Power Systems Limited


N. Shivatsa
Company Secretary



Encl.: A/a

LIMITED REVIEW REPORT

To
The Board of Directors
TD Power Systems Ltd.

1. We have reviewed the accompanying statement of Unaudited Standalone financial results (“the Statement”) of M/s TD Power Systems Limited. (“the Company”) for the quarter ended 30th June 2022 and being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Company’s Management and approved by the Company’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”) prescribed under Section 133 of Companies Act, 2013 (“the Act”) read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of Statement in accordance with the Standard on Review Engagement (SRE) 2410, “Review of Interim Financial Information performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether financial statements are free of material misstatements. A review of interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of the Branch auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder or by the Institute of Chartered Accountants of India and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Emphasis of Matters

We draw attention to Note no.5 (a) & 5 (b) in the unaudited standalone financial results, which describes the basis on which the going concern assumption in the preparation of financial statements of two subsidiaries and the evaluation of the carrying value of investment in one subsidiary and that no further provision for impairment in the carrying value of the investment in that subsidiary is considered necessary by the management.

Our conclusion is not modified in respect of the above matter.

6. Other Matters

We did not review the financial results of the foreign branch at Japan considered in the unaudited standalone financial results of the Company whose financial results reflect total revenue of Rs. 98.38 Lakhs, net profit/(loss) after tax of Rs. (59.73) Lakhs and total comprehensive income/(loss) of Rs. (60.47) Lakhs for the quarter ended 30th June 2022. The Financial results of Branch have been reviewed by the branch auditor in that country whose review report has been furnished to us, and our conclusion on the statement, to the extent they have been derived from such financial results is solely on the basis of such report of the other auditor.

Our review report is not modified in respect of the above matter.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

Place : Bangalore
Date : 09/08/2022

K.P.SRINIVAS
Partner
M.No.208520
UDIN:22208520AOPUGJ6525

LIMITED REVIEW REPORT

To
The Board of Directors
TD Power Systems Ltd.

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results (“the Statement”) of TD Power Systems Limited (“the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred as a “the Group”), for the quarter ended 30th June, 2022 and being submitted by the Parent pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”) prescribed under Section 133 of Companies Act, 2013 (“the Act”) read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of Statement in accordance with the Standard on Review Engagement (SRE) 2410, “Review of Interim Financial Information performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review of interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the entities as mentioned below:

| Name of the Entity | Relationship |
|--|-------------------------|
| D F Power Systems Private Limited, India | Wholly owned subsidiary |
| TD Power Systems USA Inc, United States of America | Wholly owned subsidiary |
| TD Power Systems Japan Limited, Japan | Wholly owned subsidiary |
| TD Power Systems Europe GMBH, Germany | Wholly owned subsidiary |
| TD Power Systems Jenerator Sanayi Anonim Sirketi, Turkey | Wholly owned subsidiary |

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors/firm of Chartered Accountants referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder or by the Institute of Chartered Accountants of India and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Other Matters

Attention is invited to the following:

- i. We did not review the financial results of one Indian subsidiary included in the unaudited consolidated financial results, whose interim financial results/ information reflect total revenue nil, total net profit/(loss) after tax of Rs. (3.09) Lakhs and total comprehensive income/(loss) of Rs. (3.09) Lakhs for the quarter ended 30th June 2022, as considered in the unaudited consolidated financial results. These interim financial results have been reviewed by the auditor of that company whose review report has been furnished to us by the Management and our conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.
- ii. We did not review the financial results of four foreign subsidiaries included in the unaudited consolidated financial results, whose interim financial results/ information reflect total revenue of Rs. 4,592.4 Lakhs, total net profit after tax of Rs. 273.88 Lakhs and total comprehensive income of Rs. 103.80 Lakhs for the quarter ended 30th June 2022, as considered in the unaudited consolidated financial results. We are informed that audit is not mandatory in the respective Country and hence these financial results have been reviewed by an independent firm of Chartered Accountants in India, whose review report has been furnished to us by the Management and our conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of these four foreign subsidiaries, is based solely on the reports of the Independent firm of Chartered Accountants and the procedures performed by us as stated in paragraph 3 above.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

Place : Bengaluru
Date : 09/08/2022

K.P.SRINIVAS
Partner
M.No.208520
UDIN:22208520AOPUTK2112

TD POWER SYSTEMS LIMITED

REGISTERED OFFICE & PLANT: # 27,28 &29 KIADB INDUSTRIAL AREA, DABASPET, NELAMANGALA TALUK, BANGALORE 562 111
CIN: L31103KA1999PLC025071, E mail Id: tdps@tdps.co.in,Website: www.tdps.co.in, Tel. No.: + 91 80 22995700, Fax: + 91 80 7734439
STATEMENT OF STANDALONE/CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

(₹ in Lakhs)

| Sl. No. | Particulars | Consolidated | | | | Standalone | | | |
|-------------|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | Quarter ended | | Year ended | | Quarter ended | | Year ended | |
| | | 30.06.2022 | 31.03.2022 | 30.06.2021 | 31.03.2022 | 30.06.2022 | 31.03.2022 | 30.06.2021 | 31.03.2022 |
| | | (UNAUDITED) | (AUDITED)* | (UNAUDITED) | (AUDITED) | (UNAUDITED) | (AUDITED)* | (UNAUDITED) | (AUDITED) |
| | | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| | Revenue | | | | | | | | |
| I | Revenue from Operations | 20,454.03 | 22,716.61 | 16,312.38 | 79,742.46 | 19,900.78 | 21,437.51 | 12,623.53 | 71,880.55 |
| II | Other Income | 652.87 | 843.01 | 229.07 | 1,671.42 | 684.48 | 910.31 | 216.12 | 1,756.48 |
| III | Total Income (I+II) | 21,106.90 | 23,559.62 | 16,541.45 | 81,413.88 | 20,585.26 | 22,347.82 | 12,839.65 | 73,637.03 |
| IV | Expenses | | | | | | | | |
| | Cost of materials consumed | 12,987.78 | 16,696.01 | 10,639.21 | 55,200.11 | 12,878.12 | 16,437.25 | 8,546.59 | 52,580.48 |
| | Purchases of stock in trade | (265.00) | 176.20 | 38.43 | 940.96 | (265.00) | 176.20 | 38.43 | 940.96 |
| | Changes in inventories of finished goods, stock-in-trade and work-in-progress | 1,076.49 | (797.14) | 714.08 | 847.22 | 1,280.34 | (952.35) | (241.34) | (1,830.51) |
| | Employee benefits expense | 2,346.81 | 2,002.91 | 1,971.38 | 8,056.97 | 2,189.86 | 1,703.29 | 1,821.26 | 7,273.31 |
| | Finance Costs | 86.30 | 70.75 | 108.75 | 205.70 | 86.30 | 70.75 | 108.75 | 205.70 |
| | Depreciation and amortisation expense | 528.31 | 550.50 | 535.19 | 2,203.96 | 508.22 | 529.28 | 519.26 | 2,123.70 |
| | Other expenses | 1,536.42 | 1,577.34 | 1,411.75 | 5,509.17 | 1,386.79 | 1,459.50 | 1,127.24 | 4,964.06 |
| | Total expenses (IV) | 18,297.11 | 20,276.57 | 15,418.79 | 72,964.09 | 18,064.63 | 19,423.92 | 11,920.19 | 66,257.70 |
| V | Profit before exceptional items and tax (III-IV) | 2,809.79 | 3,283.05 | 1,122.66 | 8,449.79 | 2,520.63 | 2,923.90 | 919.46 | 7,379.33 |
| VI | Exceptional items (Refer Note No.5(a)) | - | - | 197.44 | 757.72 | - | - | - | - |
| VII | Profit before tax (V-VI) | 2,809.79 | 3,283.05 | 1,320.10 | 9,207.51 | 2,520.63 | 2,923.90 | 919.46 | 7,379.33 |
| VIII | Tax Expenses | | | | | | | | |
| | (a) Current Tax | 703.24 | 791.39 | 341.25 | 1,977.59 | 688.79 | 714.68 | 305.00 | 1,772.83 |
| | (b) Deferred Tax | (42.45) | 25.45 | (59.95) | 165.01 | (42.45) | 25.45 | (59.95) | 165.01 |
| IX | Profit for period/year (VII - VIII) | 2,149.00 | 2,466.21 | 1,038.80 | 7,064.91 | 1,874.29 | 2,183.77 | 674.41 | 5,441.49 |
| X | Other Comprehensive Income | | | | | | | | |
| | Items that will not be reclassified to profit or loss | | | | | | | | |
| | (i) Remeasurement of defined benefit plans | 84.29 | 41.01 | - | (84.34) | 84.29 | 41.01 | - | (84.34) |
| | (ii) Tax on defined benefit plans | (21.21) | (10.32) | - | 21.23 | (21.21) | (10.32) | - | 21.23 |
| | Items that will be reclassified to profit or loss | | | | | | | | |
| | (i) Exchange difference on translation of foreign operations - (Refer Note No.7) | (170.82) | (136.54) | (71.12) | (858.48) | (0.74) | (34.85) | 0.93 | (60.76) |
| XI | Total Comprehensive Income for the period/year (IX+X) (Comprising Profit and Other Comprehensive Income for the period/year) | 2,041.26 | 2,360.36 | 967.68 | 6,143.32 | 1,936.63 | 2,179.61 | 675.34 | 5,317.62 |
| | Details of equity share capital: | | | | | | | | |
| XII | Paid-up equity share capital (Face value of ₹.10/- per share) | 3,112.57 | 3,110.35 | 3,098.28 | 3,110.35 | 3,112.57 | 3,110.35 | 3,098.28 | 3,110.35 |
| XIII | Reserves (excluding Revaluation reserve) | - | - | - | 49,606.08 | - | - | - | 49,155.37 |
| XIV | Earnings per equity share | | | | | | | | |
| | Basic (in ₹) | 6.95 | 8.00 | 3.40 | 22.96 | 6.06 | 7.08 | 2.21 | 17.68 |
| | Diluted (in ₹) | 6.88 | 7.98 | 3.36 | 22.80 | 6.00 | 7.06 | 2.18 | 17.56 |

* Refer Note No.2

TD POWER SYSTEMS LIMITED

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CIN: L31103KA1999PLC025071, E mail Id: tdps@tdps.co.in,Website: www.tdps.co.in, Tel. No.: + 91 80 22995700, Fax: + 91 80 7734439

STATEMENT OF STANDALONE/CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

UNAUDITED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(₹ in Lakhs)

| Particulars | Consolidated | | | | Standalone | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Quarter ended | | | Year ended | Quarter ended | | | Year ended |
| | 30.06.2022 | 31.03.2022 | 30.06.2021 | 31.03.2022 | 30.06.2022 | 31.03.2022 | 30.06.2021 | 31.03.2022 |
| | (UNAUDITED) | (AUDITED)* | (UNAUDITED) | (AUDITED) | (UNAUDITED) | (AUDITED)* | (UNAUDITED) | (AUDITED) |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| 1 Segment Revenue (net sale/income from each segment should be disclosed) | | | | | | | | |
| (a) Manufacturing | 24,662.70 | 25,696.58 | 18,090.63 | 88,794.57 | 20,094.78 | 21,158.42 | 12,473.35 | 70,426.56 |
| (b) Project Business including WOS | 115.14 | 390.90 | 150.32 | 1,725.51 | 115.14 | 390.90 | 150.32 | 1,725.51 |
| (c) Engineering, procurement and construction (EPC) | | - | - | - | - | - | - | - |
| Total segment revenue | 24,777.84 | 26,087.48 | 18,240.95 | 90,520.08 | 20,209.92 | 21,549.32 | 12,623.67 | 72,152.07 |
| Less: Inter Segment Revenue | 309.14 | 111.81 | 0.14 | 271.52 | 309.14 | 111.81 | 0.14 | 271.52 |
| Less: Inter Company | 4,014.67 | 3,259.06 | 1,928.43 | 10,506.10 | - | - | - | - |
| Revenue from operations | 20,454.03 | 22,716.61 | 16,312.38 | 79,742.46 | 19,900.78 | 21,437.51 | 12,623.53 | 71,880.55 |
| 2 Segment Results: (Profit)(+)/ Loss (-) before tax and interest from each segment) | | | | | | | | |
| (a) Manufacturing | 3,200.14 | 3,252.80 | 1,572.07 | 9,422.71 | 3,200.14 | 3,252.80 | 1,572.07 | 9,422.71 |
| (a1) Less : Inter Segment/Company | (315.03) | (384.95) | (210.00) | (1,155.94) | - | - | - | - |
| (b) Project Business including WOS | (99.76) | 250.44 | (41.87) | 213.23 | (97.07) | 252.63 | (38.19) | 222.99 |
| (c) Engineering, procurement and construction (EPC) | (3.09) | (2.39) | (2.66) | (10.99) | - | - | - | - |
| Less: Depreciation | 528.31 | 550.50 | 535.19 | 2,203.96 | 508.22 | 529.28 | 519.26 | 2,123.70 |
| | 2,884.01 | 3,335.30 | 1,202.35 | 8,576.93 | 2,594.85 | 2,976.15 | 1,014.62 | 7,522.00 |
| Less:(i) Finance cost | 86.30 | 70.75 | 108.75 | 205.70 | 86.30 | 70.75 | 108.75 | 205.70 |
| (ii) Other unallocable expenditure net off unallocable income (including exceptional item) | (12.08) | (18.50) | (226.50) | (836.28) | (12.08) | (18.50) | (13.59) | (63.03) |
| Profit before Tax | 2,809.79 | 3,283.05 | 1,320.10 | 9,207.51 | 2,520.63 | 2,923.90 | 919.46 | 7,379.33 |
| 3 Capital Employed = Segment Assets - Segment liabilities | | | | | | | | |
| Segment Asset | | | | | | | | |
| (a) Manufacturing | 68,690.76 | 74,522.41 | 64,412.84 | 74,522.41 | 63,428.22 | 69,236.75 | 58,678.57 | 69,236.75 |
| (b) Project Business including WOS | 2,238.52 | 2,294.91 | 3,291.14 | 2,294.91 | 2,223.94 | 2,276.96 | 3,263.18 | 2,276.96 |
| (c) Engineering, procurement and construction (EPC) | 0.70 | 0.70 | 110.23 | 0.70 | - | - | - | - |
| (d) Un-allocable Segment | 16,967.77 | 13,851.44 | 14,536.09 | 13,851.44 | 19,915.38 | 16,795.66 | 17,581.52 | 16,795.66 |
| | 87,897.75 | 90,669.46 | 82,350.30 | 90,669.46 | 85,567.54 | 88,309.37 | 79,523.27 | 88,309.37 |
| Segment Liabilities | | | | | | | | |
| (a) Manufacturing | 24,982.61 | 28,337.81 | 25,100.42 | 28,337.81 | 23,258.10 | 26,478.49 | 22,802.28 | 26,478.49 |
| (b) Project Business including WOS | 1,723.56 | 1,684.94 | 2,121.00 | 1,684.94 | 1,714.45 | 1,676.43 | 2,111.34 | 1,676.43 |
| (c) Engineering, procurement and construction (EPC) | 17.25 | 17.25 | 578.43 | 17.25 | - | - | - | - |
| (d) Un-allocable Segment | 6,406.27 | 7,913.03 | 6,481.72 | 7,913.03 | 6,382.27 | 7,888.73 | 6,458.27 | 7,888.73 |
| | 33,129.69 | 37,953.03 | 34,281.57 | 37,953.03 | 31,354.82 | 36,043.65 | 31,371.89 | 36,043.65 |
| Note:- In Accordance with IND AS 108 - "Operating Segments", the above segments reported are based on the review of the Chief Operating Decision Maker. | | | | | | | | |
| * Refer Note No.2 | | | | | | | | |

TD POWER SYSTEMS LIMITED
NOTES TO FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

Notes:

- 1 The Financial results have been prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standard) Rules, 2015. The above financial results have been recommended by the Audit committee and approved by the Board of Directors at their respective meetings held on 9th August 2022.
- 2 The Ind AS financial results and financial information for the quarter ended March 31, 2022 is the balancing figure between audited figures in respect of the full year and published unaudited year to date figures upto the third quarter, which were subject to the limited review by the auditors.
- 3 The consolidated financial results relate to TDPS Group. The Group consists of TD Power Systems Limited and its wholly owned Indian and Overseas subsidiaries as follows:
 - D F Power Systems Private Limited, India
 - TD Power Systems USA Inc, United States of America
 - TD Power Systems Japan Limited, Japan
 - TD Power Systems Europe GMBH, Germany
 - TD Power Systems Jenerator Sanayi Anonim Sirketi, Turkey
- 4 During the quarter ended 30th September 2019, the Company has implemented TDPPL Equity Based Compensation Plan 2019, ("Plan") through employee welfare trust after obtaining necessary approvals as per provision of the Companies Act, 2013. The employee cost on account of Employee Stock Options and Employee Stock Appreciation Rights granted as per the plan has been accounted for in the Statement of Profit & Loss and the cost of shares acquired for the purpose of the Plan has been included under Other Equity.

During the period ended 30th June 2022, 22,242 (PY: 170,084) Equity Shares of ₹.10/- each were issued & allotted to the TDPPL Employee Welfare Trust (Trust) in respect of the exercise of 26,196 (PY: 2,26,760) ESARs by grantees. Consequently, the paid up capital of the Company as at June 30, 2022 stands at ₹.3,112.57 Lakhs (As at 31st March 2022: ₹.3,110.35 Lakhs) comprising 3,11,25,740 (As at 31st March 2022: 3,11,03,498) Equity Shares of ₹.10/-each. As per the TDPPL Equity Based Compensation Plan 2019, the said shares were transferred by the Trust to the ESAR Grantees in settlement of the ESAR'S exercised.
- 5(a) During the period ended June 30, 2022, the Indian Subsidiary incurred a net loss of ₹.3.09 lakhs, The Company is awaiting improvement in market conditions which is gradually recovering due to the receding pandemic to evaluate opportunities from time to time with required support from the parent Company. Based on an assessment of risk of claims & counter claims which the Company will have against Creditors for supply of project related equipment, as well as project cancellation, appropriate write backs have been accounted in respect of these creditors in financial year 2021-2022 and earlier year, resulting in the Company's Net worth turning positive. Further, efforts are ongoing to recover receivables by which management is hopeful of significantly improving the Company's ability to settle claims from creditors, if any. Accordingly, the financial statements of the indian subsidiary continue to be prepared on a going concern basis which is considered appropriate by the management of that Company.
- (b) The overseas subsidiary in USA has accumulated losses exceeding its share capital and has eroded its networth as at the end of the reporting period. The Subsidiary's liabilities exceeds its total assets by ₹. 602.77 lakhs (As at 31st March 2022: ₹ 882.84 lakhs). A substantial portion of the liabilities is loan from the Parent company which is being renewed on timely basis reflecting the parent company's resolve to support and grow the market. Over the last 3-4 years this subsidiary has improved foothold in the American market and has delivered certain initial orders from very reputed customers. This will help in receiving improved orders in the forthcoming years enabling better operating performance. The subsidiary is managing it's cash flow requirements. However, the parent company is authorised by its Board to infuse further funds as and when required. Based on this, the management of that company is of the opinion that the going concern assumption in preparation of the financial statements of that company is appropriate. Hence, considering the future prospects of the said subsidiary no provision for impairment in the carrying value of the investment in this subsidiary is considered necessary by the management of the company in the standalone financial results.

TD POWER SYSTEMS LIMITED
NOTES TO FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

6 During May 2021, the company has received demand from Income tax department of ₹.1,942 lakhs for AY 2017-18 with respect to Transfer Pricing and other disallowance u/s 143(3) r.w.s 144C (3) read with section 144B of the Income-tax Act. The Transfer Pricing Officer (TPO) has passed an order with demand considering transfer pricing adjustment on the overall turnover of the Company instead of restricting to transactions with Associate Enterprises. The Sales to Associate Enterprises for the said year is ₹.1,964.90 lakhs as compared to the Sales of the entire Company of ₹.36,944.03 lakhs. Disputing the said order, the Company filed an objection before the Dispute Resolution panel of the Income Tax Department at Bengaluru on May 26 2021. Further, consequent to a writ petition filed by the Company, the operation of the assessment order & recovery proceedings has been stayed by the Hon'ble High Court of Karnataka vide it's order dated June 30 2021.

The Company has received assessment order u/s 143(3) r.w.s 260 read with section 144B of the Income Tax Act based on directions of Dispute Resolution panel. Further, consequent to a writ petition filed by the Company, the operation of this assessment order & recovery proceedings has been stayed by the Hon'ble High Court of Karnataka vide it's order dated March 21, 2022.

7 Other comprehensive income includes foreign exchange translation Loss of ₹.93.14 Lakhs (PY: ₹. 752.30 Lakhs) which is notional in nature from our foreign subsidiary-Turkey due to sharp depreciation of Turkish Lira (TL) to Indian Rupee (INR) from ₹.5.15 (PY: ₹.8.84) at the beginning of the year to ₹.4.72 (PY: ₹.5.15) at the end of period, a drop of 8% (PY:42%)

8 Segment wise Revenue, Results, assets and liabilities are stated separately.

For TD Power Systems Limited

Digitally signed
by NIKHIL
KUMAR
Date: 2022.08.09
12:52:14 +05'30'

Nikhil Kumar
Managing Director

Place: Frankfurt

Date: 9th August 2022